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July 24, 1998

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Magalie Roman Salas Secretary Federal Communications Commission 1919 M St., N.W. Washington, DC 20554

Re: Application of SBC Communications Inc. for a

Declaration of Common Ownership Under Part 62 of the Commission's Rules and a Blanket Authorization Under Section 212 of the Communications Act to Have Common

Officers and Directors

Dear Ms. Salas:

PHILIP W. HORTON

(202) 942-5787

Enclosed please find an original and two copies of the application of SBC Communications Inc. for a declaration of common ownership under Part 62 of the Commission's Rules, 47 C.F.R. §§ 62.1-62.26, and a blanket authorization under Section 212 of the Communications Act, 47 U.S.C. § 212, to have common officers and directors.

Please direct questions or correspondence concerning this application to:

Wayne Watts
General Attorney and Assistant General Counsel
SBC Communications Inc.
175 E. Houston
San Antonio, TX 78205
210-351-3476 (voice)
210-351-3488 (facsimile)

Thank you for your assistance.

Sincerely,

Philip W. Horton

# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

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TO: The Commission

## APPLICATION FOR DECLARATION OF COMMON OWNERSHIP AND AUTHORIZATION FOR COMMON OFFICERS AND DIRECTORS

SBC Communications Inc. ("SBC") hereby requests a declaration under Section 212 of the Communications Act, 47 U.S.C. § 212, and Part 62 of the Commission's Rules, 47 C.F.R. §§ 62.1–62.26, that, upon Commission approval of and subsequent consummation of the proposed merger between SBC and Ameritech Corporation ("Ameritech"), SBC's local exchange carrier subsidiaries will be "commonly owned carriers" within the meaning of Section 62.2 of the Commission's Rules. If the SBC/Ameritech merger is approved — and presuming approval and consummation of the proposed merger of SBC and Southern New England Telecommunications Corporation



("SNET")<sup>1</sup> – SBC's local exchange carriers will include: Southwestern Bell Telephone Company ("SWBT"), Pacific Bell Telephone Company ("PacBell"), Nevada Bell Telephone Company ("Nevada Bell"), The Southern New England Telephone Company ("the SNET Telco"), The Woodbury Telephone Company ("Woodbury"), Illinois Bell Telephone Company ("Illinois Bell"), Indiana Bell Telephone Company, Inc. ("Indiana Bell"), Michigan Bell Telephone Company ("Michigan Bell"), The Ohio Bell Telephone Company ("Ohio Bell") and Wisconsin Bell, Inc. ("Wisconsin Bell").<sup>2</sup> The grant of this request would serve as a blanket authorization for the merged company and its subsidiaries to have and maintain common officers and directors without further prior application to the Commission.

<sup>&</sup>lt;sup>1</sup> A similar application for declaration of common ownership and authorization for common officers and directors was filed in connection with the SBC/SNET merger. That application is pending.

<sup>&</sup>lt;sup>2</sup> The address of SBC is 175 E. Houston, San Antonio, Texas 78205. The address of SWBT is One Bell Center, St. Louis, MO 63101. The address of PacBell is 140 New Montgomery Street, 13th Floor, San Francisco, CA 94105. The address of Nevada Bell is 645 East Plumb Lane, Reno, NV 89502. The address of the SNET Telco is 227 Church Street, New Haven, CT 06510. The address of Woodbury is 299 Main Street South, Woodbury, CT 06798. The address of Illinois Bell is 225 West Randolph Street, Chicago, IL 60606. The address of Indiana Bell is 240 North Meridian Street, Indianapolis, IN 46204. The address of Michigan Bell is 444 Michigan Avenue, Detroit, MI 48226. The address of Ohio Bell is 45 Erieview Plaza, Cleveland, OH 44114. The address of Wisconsin Bell is 722 North Broadway, Milwaukee, WI 53202.

#### **INTRODUCTION**

On May 11, 1998, SBC and Ameritech announced that they had entered into an Agreement and Plan of Merger under which Ameritech would become a wholly-owned subsidiary of SBC. On July 24, 1998, SBC and Ameritech filed applications with the Commission seeking approval for the transfer of control of licenses which would be effected by the merger. As a consequence of the SBC/Ameritech merger, Illinois Bell, Indiana Bell, Michigan Bell, Ohio Bell and Wisconsin Bell would become wholly-owned, second-tier subsidiaries of SBC. No other person will hold any interest in any of these carriers.

After the SBC/Ameritech merger closes, several officers and directors of SBC and its subsidiaries may become officers or directors of Ameritech and its subsidiaries, and vice versa.

### THE COMMISSION SHOULD GRANT THE BLANKET AUTHORIZATION

Section 212 of the Communications Act prohibits an individual from serving as an officer or director of more than one carrier, which the Commission has interpreted to include a parent or holding company of a carrier, unless permitted to do so by the Commission. Under Section 212 and Section 62.25 of the Commission's Rules, however, when the Commission determines that two or more carriers are "commonly owned carriers," they are permitted to have common officers and directors, without

applying for separate FCC authorization for each interlock.<sup>3</sup> Under Section 62.2 of the Commission's Rules, the term "commonly owned carriers" is defined to include two or more carriers "50 percent or more of whose stock is owned directly or indirectly by the same person."

The prerequisite for a blanket authorization to permit SBC-owned carriers to have common officers and directors is met in this case. As a consequence of the merger of SBC and Ameritech, assuming it is approved and consummated, SBC will own 100 percent of the common stock of Ameritech, and Ameritech will continue to own all of the stock of Illinois Bell, Indiana Bell, Michigan Bell, Ohio Bell and Wisconsin Bell. Ameritech and all of its subsidiaries will be controlled by SBC. Further, SBC will continue to own all of the stock of SWBT, PacBell and Nevada Bell (and, upon approval and consummation, the SNET Telco and Woodbury). Accordingly, all of the carriers owned directly or indirectly by SBC will be "commonly owned carriers" under Section

Such blanket authorizations have been routinely granted in the past where similar circumstances existed. See, e.g., In re Centel Corp., Transferor, and Sprint Corp., Transferee, File No. EID-683 (Sept. 17, 1992) (referenced in In re Applications of Centel Corp., Transferor, and Sprint Corp. and F W Sub Inc. Transferees, 8 FCC Rcd. 1829, 1829 ¶ 2 n.6 (1993)); In re Applications of Contel Corp., Transferor, and GTE Corp., Transferee, 6 FCC Rcd. 1003, ¶¶ 1, 26 (1991).

<sup>&</sup>lt;sup>4</sup> In view of the large number of other SBC entities and the complex and burdensome nature of presenting all ownership information regarding such entities, to the extent that Section 62.12(b) requests information beyond the information contained in this application, SBC requests a waiver from any such requirements. SBC would, of course, be happy to provide additional information on request.

62.2 of the Commission's Rules. SBC and its subsidiaries are therefore entitled to a blanket authorization to have common officers and directors.<sup>5</sup>

For the foregoing reasons, SBC respectfully requests the grant of this Application.

Respectfully submitted,

SBC COMMUNICATIONS INC.

By: Mel

DATE: JULY 22, 1998

<sup>&</sup>lt;sup>5</sup> SBC requests that the Commission's finding of common ownership and its authorization to have common officers and directors extend to future subsidiaries or other entities 50 percent or more of whose stock is owned directly or indirectly by SBC.